FOR MYSORE STATE

I-27—40,000—27-10-52

FOOD & AGRICULTURE. (195 49) Department.

MS SERIES.

G.O. No. 447

447

Dated 27-6-1949.

[Despatch Abstract.]

Prices Shariff year 1948-49 - Increase in price of Gunnies Reduction in the profit of the retailers Boards proposals - orders passed.

--

GOVERNMENT OF MADRAS.
ABSTRACT.

Prices - Khariff year 1948 - 49 - Increase in the price of gunnies - Reduction in the profit of the retailers - Board's proposal - Orders passed.

FOOD DEPARTMENT.

G.O.Ms.No.447. DATED 27-5-1949.

Read:

1.G.O.No.Ms.146 Food dated 7-2-49.
2.Board's U.O.No.35631/U6/49-1 dated 2-4-1949.
3.Board's Proceedings.Rt.623 dated 7-4-49.

O R D E R:
~~EXRXDXEXR~~:

In G.O.No.Ms.146 Food dated 7-2-49, the Government have ordered that the use of new gunnies by procuring agents in the surplus districts should be insisted on and that full market price should be paid to them ie., they should be paid at the rate of Re.1-0-0 per gunny, which is 7 annas more than the allowance of 9 annas which has been taken into account in fixing the F.O.R. prices. The Government have also ordered that in view of the increase in the cost of gunny referred to above and in order not to enhance the consumers prices over the existing level, the profit to the retailer viz., 8 annas per bag of 2 maunds of rice should be reduced by 6 annas per bag of 2 maunds. In giving effect to these orders the following issues arise:

1. Whether the orders should be confined only to rice received from the surplus districts~~xxx dt~~ and from imports or should be extended to locally procured rice also and

2. Who should bear the difference of 1 anna per bag due to the actual increase in the price of new gunny over the allowance included in the F.O.R price Viz. 7 annas and the reduction of 6 annas made in the retailer's profit.

2. The Government have examined these issues and pass the following orders:-

(1) With regard to the first issue, there is no objection to reducing the retailer's margin of profit by 6 annas per bag so far as rice imported from surplus districts or imported from extra-provincial sources is concerned, as in such cases only new gunnies will be invariably used. The instructions issued by the Board of Revenue (Civil Supplies) in this regard in its proceedings No.Rt.623. dated 7-4-49 are approved.

As regards locally procured stocks, the Board has suggested that wherever new gunnies are used the retailer's profit may be reduced by 6 annas per bag and where old gunnies are used no reduction in the retailer's margin of prifit need be given effect to. Though the use of new gunnies for procurement purposes is allowed for local procurement in the deficit districts, the general idea is that only old gunnies should be used as far as possible. Hence the percentage of new gunnies used for procurement in deficit districts will be negligible and it is therefore ~~and it is therefore~~ not worthwhile to fix separate profit rates for old and new gunnies, because such a procedure will not only complicate the accounting procedure but will also give rise to fraud in the fixation of retail prices from time to time. The Government have therefore decided that no reduction in the retailers margin of profit need be effected in the case of locally procured stocks.

(ii) Regarding issue (2), as against the extra allowance of 7 annas per bag allowed to the procuring agent for a new gunny, the retailer's profit is reduced only by 6 annas per bag. The question arises whether the difference of 1 anna per bag should be borne by the Government or should be passed on to the consumer.

The Government agree with the Board of Revenue (Civil Supplies) that the difference may be passed on to the consumer by suitably raising the F.O.R the Wholesale and the retail ~~by-suitably raising the F.O.R.-the-W-~~ the prices to the extent necessary, in view of the fact that this difference is very small and is not at all likely to reflect itself in the consumer's price which is fixed at so many measures per rupee and also as it has been decided to discontinue the Bonus Surcharge of 12 annas per maund and levy in its stead an administrative surcharge of 5 annas per maund on all stocks procured and distributed through Government account, the net result being that there will be a reduction in the consumer's price,. The Board's instructions issued in this regard in para (2) of its Rt. Proceedings No.623. Dated 7-4-49 are approved.

3. Another suggestion made in this connection is to notify F.O.R.prices exclusively of gunny but inclusive of packing charges, gunny price alone being added to the F.O.R. price with reference to the market price prevailing from time to time. In view of the fluctuation in the market price of gunnies, the Government accept the suggestion. In order to arrive at a workable proposition in regard to this matter, the Board of Revenue (Civil Supplies) should insist on a price return from the Jute Factories every month prescribing a date for it. The price for gunny should be fixed with reference to the prices so ascertained and the Board will have powers to vary the prices as and when it considers it necessary with reference to the prices reported by the factories. In order to avoid frequent revision of prices, it is desirable that there should be no change at all, if the variation of price does not exceed a margin of 10 % either way. The above proposal will be implemented while ~~bex implemented while~~ revising prices for the coming Fasli Year (July '49 - June '50) after obtaining the approval of the Govefnment of India.

4. Orders on the Boards proposals contained in its reference No.50510/U6/49-1 dated 10-5-1949 will issue separately.

Sd.. 24/5/49.

To
The Board of Revenue (Civil Supplies).
Copy to the Public (E & S) Department.

/True Copy/

SUPERINTENDENT.
11-7-1953.
Madras Record Office.

KP.9/7-

11/7.

***